



# DFG-funded projects and administrative misconduct

International Workshop on Accountability in Research Funding

*“A New Decade of Managing Risks and Accountability Challenges”*

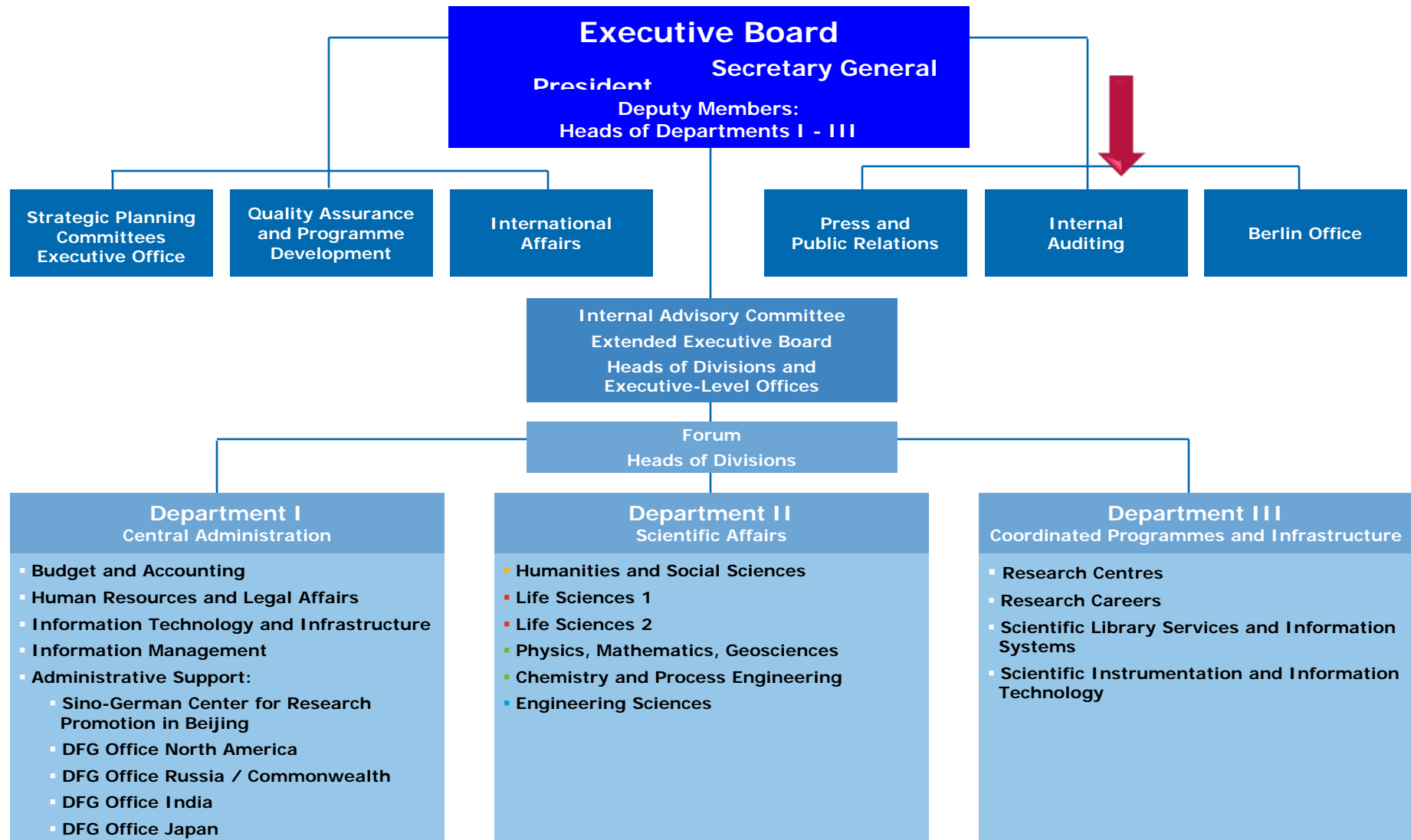
Oslo, Norway

# Summary

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# 1. The structure of the DFG

## 1.1 The DFG's Head Office



## 1.2 DFG audits

Project idea ➔ Proposal ➔ Grant ➔ Interim cost statement ➔ Final cost statement



### Review process

- Mandatory for each proposal
- Conducted by external peer reviewers
- Procedure is quality assured by elected review boards



### DFG internal audit

- Based on random sampling
  - **Conducted on-site at universities**
- or
- At the DFG's Head Office

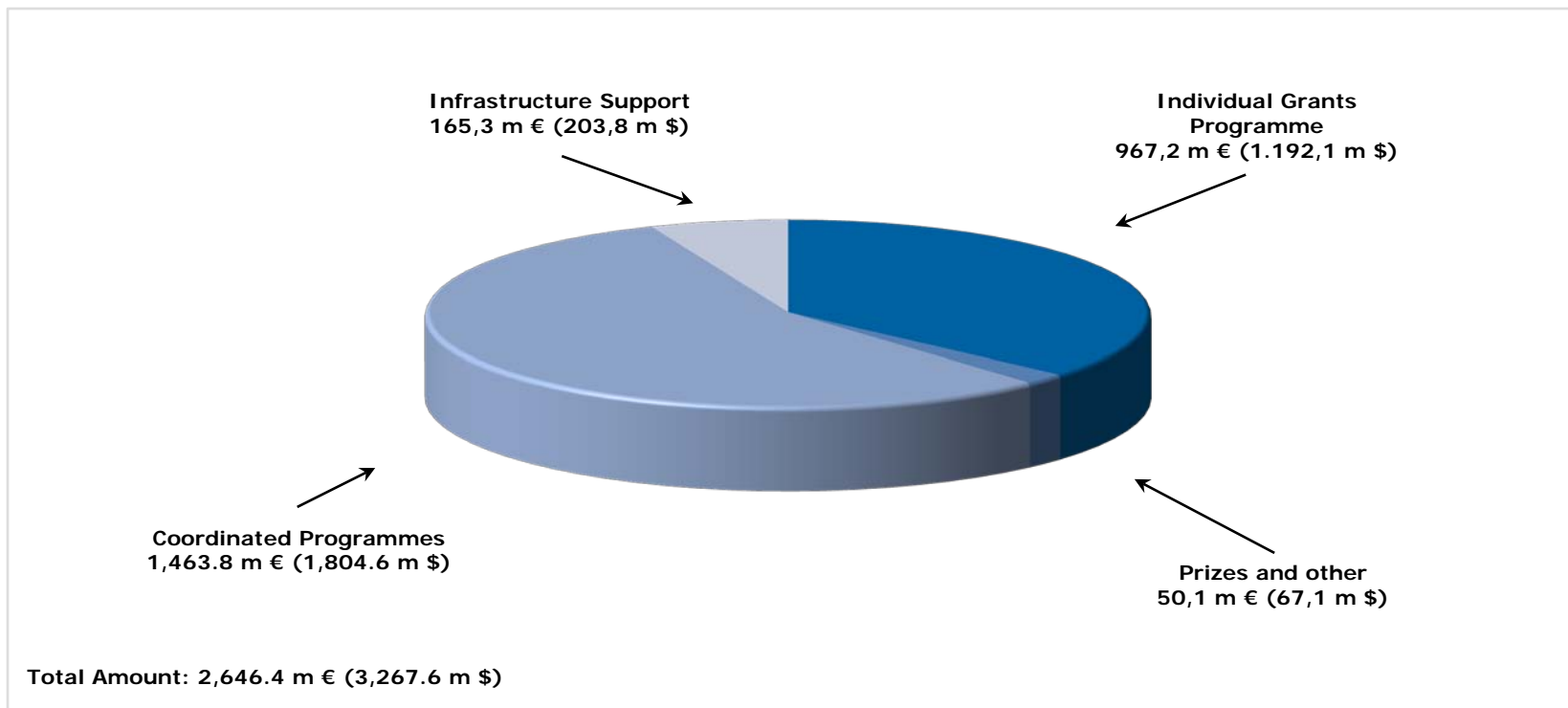


### DFG final audit

- Conducted for each project
- Conducted at the DFG's Head Office
- **Quality assured by the DFG's internal auditing section**

## 1.3 Research funding structure

### Total research funding by funding category



## 2. Examples of administrative misconduct

### 2.1 Collaborative Research Center

#### 2.1.1 Basic situation

- ▶ An institution at a German university since 2000
- ▶ Total funding since constitution: €12.3 m (\$15.2 m)
- ▶ Participating counterpart to the German university:  
Other German universities, Office in Indonesia
- ▶ Subject: Science of forestry

## 2.1.2 The whistleblower

In 2009, the DFG was presented with details of fraud such as:

- ▶ Fraudulently purchased hardware
- ▶ Wasteful conduct
- ▶ Corruption
- ▶ Incorrect staff assignment

etc.

## 2.1.3 The audit

### Audit organization

- ▶ Announcement of an audit in February 2009
- ▶ Several steps of the audit conducted at the university
- ▶ Initially no reference to the whistleblower
- ▶ Anonymous reference made to the whistleblower in the course of the audit
- ▶ Cooperation with the university's internal auditing section



## 2.1.3 The audit

### Results

- ▶ €0.4 m (\$0.5 m) in incorrectly stated amounts, e.g.
  - Maintenance costs
  - Rejected hardware
  - Internal cost accounting without a firm accounting basis
- ▶ No clear project administration
- ▶ No clear assignment of staff to the project
- ▶ Accounting system not suitable for research projects

## 2.2 The Mercator Programme

### 2.2.1 Basic situation

- ▶ The Mercator Programme enables German universities to invite highly qualified visiting professors from abroad for a DFG-funded stay
- ▶ The focus is on cooperation projects and teaching duties
- ▶ Total funding in 2007: €0.1 m (\$0.12 m)
- ▶ Subject: Material science

## 2.2.2 The whistleblower

In 2010, the DFG funding recipient was accused of:

- ▶ Neglecting teaching duties
- ▶ Only being a part-time member of the hosting institution
- ▶ Having an unclear sabbatical situation at the sending university

## 2.2.3 The audit

### Audit organization

- ▶ No on-site audit at the host institution
- ▶ Inclusion of peer reviewers as in the proposal phase  
(no accounting issues)

## 2.2.3 The audit

### Results

#### External findings:

The visiting researcher had a job with great freedom

The contract between the university & the researcher was not very detailed

#### Internal findings:

No clear regulation regarding teaching duties and necessary integration at the host institution  
(scientific freedom)

### 3. Discussion

#### Facts/ Conclusion

- ▶ Very detailed information provided by the whistleblowers
- ▶ In both cases, unusual, outspoken behaviour by the whistleblower had been observed in the past
- ▶ No redeployment consultant in the science sector at either university
- ▶ No ombudsman for administrative misconduct at either university
- ▶ Internal auditing?



**Thank you for listening!**